

Message Text

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53

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 L-03 NEAE-00 SSO-00 /033 W
----- 097094

O R 201055Z SEP 76
FM AMEMBASSY ABU DHABI
TO SECSTATE WASHDC IMMEDIATE 4950
INFO USDOC WASHFN HMEDIATE
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY ATHENS

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LONDON FOR COMMERCIAL ATTACHE

ATHENS FOR RTDO

E.O. 11652: N/A

TAGS : BDIS, TC

SUBJECT : SERIOUS POTENTIAL TRADE DISPUTE IN ABU DHABI

REF: (A) STATE 226540, (B) STATE 227365, (C) ABU DHABI 2526

1. CALHOUN'S REPRESENTATIVE WARREN FOWLER ARRIVED IN ABU DHABI FRIDAY NIGHT (SEPT 17) AND FOR FEAR OF BEING HIMSELF JETAINED FOR ALLEGED ILLEGAL ACTS ALREADY COMMITTED BY CALHOUN DECIDED HE SHOULD NOT START WAVING POWER OF ATTORNEY AROUND WHICH EFFECTIVELY SUBSTITUTED FOWLER FOR CALHOUN IN ALL PREVIOUS CONTRACTS. FOWLER RETREATED TO LONDON ON SUNDAY NIGHT (SEPT 19) TO CONFER WITH CALHOUN'S ATTORNEY AND (BY PHONE) WITH CALHOUN. FOWLER AGREED TO PASS RESULTS OF HIS CONSULTATIONS TO DEPT AND ABU DHABI VIA COMMERCIAL ATTACHE LONDON.

2. EMBASSY MUST AGREE COMPLETELY WITH FOWLER'S STATEMENT THAT "OL' WARREN IS JUST A COUNTRY BOY WHO COULD NEVER UNTANGLE THIS MESS". IN FACT, CALHOUN IS PROBABLY ONLY INDIVIDUAL WHO COULD.

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3. MEETING BETWEEN DEPT OF PUBLIC WORKS (DPW), CONSER,

AND PEAVY AND TOWNSON HAS BEEN DELAYED FROM SEPT 23 TO SATURDAY, OCTOBER 2. EMB IS HOPEFUL CALHOUN WILL BE ABLE TO RETURN FOR THIS MEETING.

4. EMBOFF TALKED TO MR. NOUIOUA, GENERAL MANAGER OF THE ARAB BANK FOR INVESTMENT AND FOREIGN TRADE, ONE OF CALHOUN'S BANKERS, ON MONDAY MORNING (NOUIOUA IS BOSS OF MR. SHELOUF WITH WHOM CALHOUN HAS BEEN WORKING). NOUIQUA

SAID THE BANK WANTS TO CONTINUE TO WORK WITH CALHOUN TO COMPLETE PROJECT (OBVIOUSLY TO PROTECT LARGE AMOUNT OF BANK MONEY ALREADY COMMITTED). NOUIOUA SAID HE PERSONALLY DOES NOT SEE CLAIMS OF VARIOUS CREDITORS OR WORKMAN'S COMPENSATION SUIT BROUGHT BY WIDOW OF CALHOUN'S FORMER EMPLOYEE AS INSURMOUNTABLE PROBLEMS, IMPLICATION BEING THAT SUFFICIENT ADDITIONAL BANK CREDIT COULD BE EXTENDED TO PAY PRESENT BILLS AND RESUME WORK. MAJOR PROBLEMS SEEN BY NOUIOUA ARE WITH DPW AND SHAIKH TAHNOON (THE RULER'S REPRESENTATIVE IN AL-AIN) BOTH OF WHOM MUST BE PERSUADEIV THAT CALHOUN HAS GOOD INTENTIONS AND ##

BRING THIS PROJECT TO COMPLETION.
NOUIOUA SAID BANK WOULD INTERVENE WITH BOTH PUBLIC WORKSQJFSD TAHNOON ID CIBL ##RETURNS READY TO RESUME WORK ON PROJECT.

5. WHILE NOUIOUA STATED SPECIFICALLY THAT HE WOULD NOT MAKE BANK'S DECISION ON CONTINUED BACKING OF CALHOUN CONTINGENT ON ANSWERS, NOUIOUA DID ASK EMBOFF FOR FOLLOWING INFORMATION:

(A) WHAT IS NATURE ##
SUM INVOLVED) OF CALHOUN'S
PRESENT TAX CASE? AND

(B) IS THEREAIQ ASSISTANCE WHICH CAN BE PROVIDED BY ANY ORGANIZATION (GOVERNMENTAL OR PRIVATE) IN US TO ASSIST CALHOUN OUGWZ OF PRESENT DIFFICULTIES?

6. RE FIRST POINT EMBOFF MADE NO COMMITMENT. WE FRANKLY LIMITED OFFICIAL USE

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UNCERTAIN AS TO LEGAL ASPECTS OF THIS QUERY. CASE OF COURSE NOT YET DECIDED WHICH (I) PRESUMABLY MEANS THAT CALHOUN MIGHT BE ACQUITTED AND (II) MAY HBEAN THAT CHARGES IN SOME FASHION REMAIN PRIVILEGED INFO UNTIL CASE SETTLED. IF NATURE OF CASE IS MATTER OF PUBLIC RECORD WE WOULD APPRECIATE REQUESTED INFO. WE WILL THEN HAVE TO DECIDE WHETHER OR NOT TO PASS IT TO NOUIOUA -- I.E. WHETHER IT LIKELY TO HELP OR

HURT SITUATION. IF INFORMATION IN ANYWAY RESTRICTED, WE SUGGEST CALHOUN BE ASKED WHETHER HE WOULD CONSIDER GIVING USG RELEASE TO PASS IT TO BANK, AS PRESUMABLY BEING IN HIS INTEREST (AGAIN DEPENDING ON NATURE OF FACTS).

7. RE SECOND POINT ##

SITUATION IN NUTSHELL IS THAT JOB WAS BID TOO LOW, AND EVEN IF COMPLETED WILL PROBABLY LOSE MONEY. THIS IS COUPLED WITH FACT THAT PEAVY AND TOWNSON HAD GONE TO LIMIT OF CREDIT HERE AND, ACCORDING TO ASSOCIATES AND EMPLOYEES, CAN PRODUCE NO MORE WORKING CAPITAL FROM US. WORKING CAPITAL PROBLEM APPEARS TO BE SURMOUNTABLE NOW GIVEN NOUIOUA'S PLEDGE TCVHTORK WITH CALHOUN, BUT OBVIOUSLY NOUIOUA WOULD LIKE TO HAVE AS MUCH OUTSIDE FINANCIAL HELP AS HE CAN MUSTER. BASED ON OUR KNOWLEDGE OF EXIM, OPIC ET AL AS WELL AS LIKELY ATTITUDE OF PRIVATE S BANKS ETC., WE ASSUME CALHOUN'S CASE BEYOND POINT OF ASSISTANCE--I.E. THAT TIME FOR INSURANCE AND PROTECTION AGAINST SUCH EVENTUALITIES IS BEFORE PROJECT GETS STARTED, NOT AFTER YOU FIND YOURSELF UP THE CREEK WITHOUT A PADDLE. HOWEVER, IF DEPT OR COMMERCE AWARE OF H GOOD SAMARITANS WHO MIGHT BE INTERESTED IN CALHOUN'S CASE WE--AND PRESUMABLY HE-- WOULD LIKE TO HAVE DETAILS.

8. RE CALHOUN'S RETURN, EMBASSY BELIEVES LEGAL ACTIONS BY CRERUTORS OR BY WIDOW OF CALHOUN EMPLOYEE KILLED LAST JUNE TO BE MOST LIELY BASIS FOR POSSIBLE MOVE TO DETAIN CALHOUN IF HE RETURNS. HOWEVER, WITH ADDITIONAL CREDIT CAPACITY FROM BANK SUCH ACTIONS CAN PROBABLY BE AVOIDED. OBVIOUSLY, EMB CANNOT SPEAK FOR BANK OR LIMITED OFFICIAL USE

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GIVE ABSOLUTE ASSURANCE IN ANY CASE THAT CALHOUN WILL NOT BE DETAINED IF HE RETURNS HERE. WE ARE CONFIDENT WE DON'T KNOW ALL ASPECTS OF HPIS STORY YET, AND IT IS DIFFICULT TO PREDICT WHO ELSE MAY BE INVOLVED AND IN WHAT WAY. WE HAVE BEEN INFORMED TODAY, FOR EXAMPLE, THAT SOME FIFTY LAWSUITS HAVE BEEN INITIATED BY VARIOUS PEAVY AND TOWNSON CREDITORS IN THE COURT IN AL-AIN. WE ARE ATTEMPTING TO GET DETAILS OF THESE SUITS.

9. ACTION REQUESTED: PLEASE PASS INFO OF PARA 3 AND PARA 4 TO CALHOUN AND PROVIDE GUIDANCE AND/OR INFO AS PER PARAS 5-7.
PEALE

NOTE BY OCT: ## AS RECEIVED; CORRECTION TO FOLLOW.

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